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Will Kempton
Chief Executive Officer

September 8, 2009

Chairman Mike McKeever
Regional Targets Advisory Committee
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Chairman Mike:

The Orange County Transportation Authority (OCTA) appreciates the opportunity to comment on the 2nd Working Draft Regional Targets Advisory Committee (RTAC) Report (Report) and related discussions that have occurred at the RTAC meetings. OCTA commends the members of the RTAC for the effort that has been undertaken to implement such a complex directive while facing a number competing demands and viewpoints.

We appreciate the recognition of the need for flexibility in the state for the divergent modeling capabilities, the tools needed to meet the anticipated targets, and the necessity to include a broad spectrum of stakeholders and members of the public in the development of these processes. OCTA is hopeful that this collaborative effort will expand as we move forward in this process to ensure that what is ultimately adopted reflects careful consideration of the RTAC discussions, the needs of the affected stakeholders around the state, and the realities of transportation, housing, and land use planning in California.

OCTA would like to further recommend that the RTAC provide additional opportunities to gather input and feedback from members of the public and other affected stakeholders and also ensure that the final report incorporates and responds to comments submitted on the draft report by the public.

Security of State Transit Funding Imperative to Meet the Goals of SB 375

One of the underlying assumptions of SB 375 is that by better linking transportation, housing, and land use planning, incentives will be created for mode shifting thereby increasing the demands for alternative transportation options, including transit, and, as a result, decreasing greenhouse gas (GHG) emissions. Therefore, it is a reasonable expectation that as SB 375 is implemented, demand for transit options will concurrently increase. However, if the state continues the trend of eliminating state sources of transit capital and operating funds, it will be impossible to meet any increased demand for these

options and diminish the ability to achieve the regional GHG emission reduction targets.

The adopted AB 32 Scoping Plan recognizes this dilemma, stating that finding a funding source for transit and associated strategies to increase the use of transit is key to reaching the regional targets. Therefore, one of the key policy recommendations by the RTAC should be the restoration of state sources of transit funding. Although language is included in the Report which acknowledges this issue, the need for a secure state transit funding source for transit should be included in RTAC's guiding principles and be further elaborated on within the Report. Specifically, OCTA would request that the Report call for a full restoration of state transit funding and acknowledge that the state must find and provide funding for the mandates imposed on SB 375, otherwise the objectives of the bill will not be realistically achievable.

In addition, as SB 375 is a state mandate, OCTA feels that this funding source should be a statewide funding mechanism and not one left to individual regions. This could lead to a circumstance where haphazard implementation of SB 375 due to funding constraints endangers the state's overall ability to accomplish these reductions.

As an example of the realities facing local transit agencies as a result of the economic climate and state diversions of funding, OCTA has been forced to reduce bus service by a total of 133,000 revenue hours in fiscal year 2009, 400,000 revenue hours in fiscal year 2010, and possible additional reductions in fiscal year 2011. The reductions in fiscal years 2009 and 2010 are equivalent to 29 percent of the service OCTA provides. As transit agencies throughout the state are forced to take similar measures to balance their budgets, the decrease in transit provisions could alter the assumptions behind what GHG emission reduction targets are achievable. OCTA respectfully requests this issue be fully explored within the Report.

Extension of Environmental Review Streamlining to Transportation Projects as an Incentive

OCTA is supportive of efforts to include incentives for regions to both meet and exceed the targets. As acknowledged in the Report on page 28, one possible incentive would include additional environmental review relief.

Currently, there is an incongruity in SB 375, with California Environmental Quality Act (CEQA) incentives solely being available for certain residential and

mixed use development projects, even though the tool for meeting the goals of SB 375 is the Regional Transportation Plan (RTP). It is expected that in order to meet the emission reduction targets under SB 375, each region will decide how to balance various types of infrastructure projects, while still providing overall emission reductions. However, without clarity regarding CEQA analysis, both GHG emission reductions and actual projects will be delayed due to the additional time needed to complete environmental analysis and the threat of litigation.

It is therefore recommended that in the Report, the RTAC specifically recommend extending CEQA streamlining provisions to transportation projects as not only an incentive to go beyond the emission reduction target, but also to meet the target. By providing broader CEQA streamlining provisions to cover transportation projects, this will provide an incentive for regions to meet the regional GHG targets because of greater assurances that the individual projects will not be later challenged. In addition, such provisions would provide greater certainty in meeting GHG emission reduction targets by preventing delays of individual projects included in the sustainable communities strategy (SCS).

Other Comments

Subregional Delegation: Within SB 375, authority is granted for subregions and county transportation commissions within the Southern California Association of Governments (SCAG) region to choose to complete a subregional SCS to be integrated into the regional SCS. The Report briefly acknowledges this situation when discussing the target setting process, but OCTA requests that this unique regional arrangement is further recognized in other sections of the report. Specifically, we recommend that the Report acknowledge the need for subregions and county transportation commissions in the SCAG region to also receive appropriate funding and tools to prepare a SCS. Moreover, as modeling tools are updated, input from the subregions and county transportation commissions could be invaluable and we appreciate the Report's recognition of the need for that input. As these updates occur, it is critical that, at least for the SCAG region, input from subregions and county transportation commissions are highly valued.

Monitoring Tools: At the September 1, 2009, RTAC meeting, some discussion occurred regarding potential monitoring tools the RTAC may recommend to the Air Resources Board (ARB). Although SB 375 specifically delegates the authority to the RTAC to explore the issue of monitoring, It is encouraged that the RTAC exercise caution in recommending such tools, recognizing the

regions cannot always guarantee specific funding levels for implementation, particularly considering the continuously diversion of various state funding sources. Moreover, OCTA requests that, in keeping with the intent of SB 375, the RTAC and ARB recognize that penalties are not envisioned for a region's inability to meet the proscribed targets.

RTP Process: On page 8 of the Report, the section on "Target Meeting" states that the ARB and MPOs should "design a process that can apply new tools and data to the RTP update process as soon as they come available, and can reconcile the new tools and data with the tools and data used to set the targets." In making this recommendation, the Report should be clear that it is not recommending amendments to the RTP before the normal update process. Once an RTP is created, it is not easily amended every time new information is available. RTP Amendments are an expensive and time-consuming process, and frequent use of this process could create uncertainties for projects included within the RTP. The Report should instead state that modeling updates should be included in regular RTP updates, which occur every four years.

Target Setting Process: Step 3 of the Report's recommended process for target setting states that ARB and Metropolitan Planning Organization (MPO) staff would develop parameters for testing the effectiveness of such things as pricing options. Specifically for pricing options, this work should be coordinated with entities that have already implemented these types of projects and have extensive background and data that could be helpful to ARB and the RTAC. For example, OCTA would value the opportunity to provide such assistance regarding the 91 Express Lanes.

Expert Panels: Throughout the Report, there are multiple references to the creation of expert panels. The Report lacks detail about how the panel would be appointed, who would serve on the panel(s), the source of funding identified for such panel(s), and oversight over a panel's work product. However, if such panels are ultimately created, membership should reflect a broad spectrum of affected stakeholders to ensure that any work product is reflective of the realities of transportation and land use planning. Specifically, OCTA would recommend the inclusion of county transportation commissions within the SCAG region to ensure that the unique nature and requirements of the region, as detailed under SB 375, is accurately reflected in the implementation process as it moves forward.

Moreover, OCTA would express that the panel(s) consider factors that have already been created by MPO's and county transportation commissions that

more accurately take into account regional differences as they make future recommendations.

Empirical Studies: OCTA supports the consideration of a variety of empirical studies as SB 375 is implemented. However, although California is the first state to create a comprehensive framework and legislation to achieve GHG emission reductions, other countries have done similar studies and those studies should also be evaluated for applicability.

BMPs and Modeling: It would be helpful if the Report could further explore how BMPs and model estimates of GHG emission reductions will be reconciled. If BMPs are to be standardized across the state and used as a type of quality control mechanism for the ARB review of a SCS, then there needs to be a process for determining what occurs when the resulting emission reduction estimates associated with a BMP are different from that which results from the modeling.

Moreover, caution should be exercised as BMPs are created. On page 6 of the Report, the use of blueprints is referenced as a tool to create BMPs. It should be kept in mind that blueprints are not binding documents in all regions, such as in the SCAG region. Therefore, measures included in such plans do not always accurately reflect the planning realities or funding structures within the region. Overall, as BMPs are created, the focus should be on what is included in a region's adopted RTP.

Accounting for Other Measures: Under SB 375, Government Code Section 65080(b)(2)(4)(iii), the ARB is to account for GHG emission reductions that will be achieved by improved vehicle emission standards, changes in fuel composition, and other measures that it has approved to reduce emissions in the affected regions, as well as prospective measures it plans on adopting. However, on page 23 the Report only references improved vehicle efficiency and the low carbon fuel standard as measures for which the ARB will communicate data. This language should be revised to ensure that the ARB accounts for other greenhouse gas emission reduction measures related to the affected regions, such as that dealing with goods movement and cool cars.

Ambitious and Achievable: OCTA appreciates the need to create GHG emission reduction targets that are both ambitious and achievable. Given the current economic situation and revenue declines seen at every level of government, OCTA requests that the ARB revisit the assumptions that were initially made when creating preliminary reduction estimates in the Scoping Plan

and when predicting what is possible for 2020 and 2035. For instance, since the Scoping Plan was adopted, state transit funding for operations has been completely eliminated. This has drastically altered the types of transit service regions are able to provide and will impact the types of emission reductions a region can achieve.

Federal and State Legislation: Within the discussion regarding Federal Transportation Funding and Supporting Policies beginning on page 32 of the Report, OCTA commends the support noted for an increased federal role in transit and the desire to promote a national program that recognizes and rewards the efforts that California has been working to implement. However, we ask that the Report acknowledge the early stages of this implementation effort and not set a standard for federal programs that California can not yet prove it can achieve. We also ask that the Report not go beyond the intent of SB 375 by requesting that funding be tied to the achievement of such goals.

Housing and Social Equity: OCTA appreciates the recognition that social equity and factors such as jobs-housing balance are important components of a balanced transportation plan. However, we request that the Report recommend that these factors continue to be important and significant considerations during the development of the SCS, rather than recommending that these be a component of the target setting process. We feel that the best evaluation of the impacts of potential projects on these issues can best occur at the SCS level. The statewide target setting process may not be able to accurately reflect regional realities and needs in these areas.

Resource Realignment: On page 30 of the Report, there is discussion about resources being directed to cities with general plans and programs that are consistent with regional plans. This is not required by SB 375 and does not reflect the realities of many funding sources. For instance, most transportation projects have components that are funded by local transportation sales tax measures. When the voters approved these measures, they voted for specific projects, which cannot be altered. SB 375 specifically recognizes this by excluding certain projects from SCS development, such as those funded by local sales tax measures or Proposition 1B. OCTA requests that the RTAC report recognize this and not endorse the re-prioritization of funding sources toward particular projects. This would also be inconsistent with other sections of the report which recognize the flexibility that regions will need to meet these targets, which will include the need to recognize existing funding commitments.

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Modeling Tools: On page 52 the Report lists recommendations for creating various new modeling tools. OCTA would recommend that before ARB embarks on a time consuming and expensive effort to create new tools, the RTAC should recommend that existing tools be fully improved and utilized before new tools are developed.

Vehicle Miles Traveled: Throughout the Report, there are specific references to a reduction in vehicle miles traveled (VMT) and GHG emissions. Consistent with the discussions at early RTAC meetings, the Report should recognize that a reduction in VMT may be part of the overall equation for GHG emission reductions, but should not be considered as a sole or primary method for meeting those reductions. Moreover, the Report should clarify what source would be used to verify VMT measurements.

OCTA looks forward to continuing to collaborate with all stakeholders involved in the SB 375 implementation process to promote a framework that allows for flexibility across regions that provide cost-effective, reliable, and safe transportation, while improving California's air quality and decreasing greenhouse gas emissions. If you have any questions please contact me at (714) 560-5584 or Wendy Villa, State Relations Manager, at (714) 560-5595.

Sincerely,



Will Kempton
Chief Executive Officer

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- c: Members of the Regional Targets Advisory Committee
- Orange County State Legislative Delegation
- Members of the OCTA Board of Directors
- Sloat Higgins Jensen & Associates